

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

January 2004

DATA SYSTEMS & ANALYSIS

Data Base and Software Development

Medical Care Data Base—Payer Notification

In compliance with COMAR 10.25.09 and 10.25.06, approximately 25 payers were notified of their reporting requirements. Payers identified for complying with COMAR 10.25.06 must provide claims data to the Commission in June 2004. Payers identified for complying with COMAR 10.25.09 are required to submit claim census information in July 2004.

Cost and Quality Analysis

State Health Expenditure Accounts

The Commission is releasing the report, *State Health Care Expenditures: Experience from 2002* at the January Commission meeting. By releasing the report, the MHCC meets its mandate to report on the state's total reimbursement for health care services in accordance with health care reform legislation passed in 1993.

The report will highlight the continued rapid growth in health care spending that occurred in 2001. Overall, expenditures climbed by 11 percent, a slight slowing in the rate from 2001 when spending increased by 12 percent. Health care spending now totals \$22.6 billion, up from \$20.4 billion last year. The \$2.2 billion increase was broadly distributed across all major sectors, with all recording increases of 10 percent or more. Prescription drugs and hospital outpatient services grew the most rapidly at 18 and 14 percent, respectively. The two largest service sectors, physician and inpatient hospital spending, increased more slowly at 11 and 9 percent; however, these two categories account for over 46 percent of 2002 health care spending and 44 percent of the total increase from 2001. Medicare, the largest payer in the state, saw spending climb by 6 percent. A major reduction in physician payment rates was a factor in slowing growth. Medicaid spending increased by 13 percent, here some recent rate hikes on evaluation and management services provided by physicians played a role. Until 2002, Medicaid had not increased physician fees for almost a decade. Private third party spending grew by 12 percent, but consumer out-of-pocket spending increased 15 percent. Purchaser attempts to slow premium growth by shifting expense to the users of health by raising copayments and deductibles likely contributed to the increase.

HB 805 Reports

The staff has completed preparation of the five reports called for under this legislation. Copies of the reports have been available for public comment at the MHCC website and are included in the Commissioners mailing. A brief executive summary accompanies the mailing materials. The five reports are as follows:

- *Adequacy of Payments Relative to Costs and Implications for Maryland Health Care Providers*

- *The Feasibility and Desirability of Developing a Provider Rate Setting System that Establishes Minimum and Maximum Reimbursement for Health Care Services*
- *Feasibility of Establishing a Hospital-based and University-based Physician Uncompensated Care Fund*
- *Feasibility of Including Hospital and University-Based Physicians in the Hospital Rate Setting System*
- *Study of the Balance Billing Prohibition in Maryland*

EDI Programs and Payer Compliance

Maryland Trauma Physician Services Fund

Staff completed development of a physician billing overview packet for distribution to practice administrators and office managers. Billing awareness training sessions are scheduled to occur in January at three locations around the state. MHCC will host the first training session on January 13th, the second training session is scheduled for January 21st at Prince George's Hospital Center, and the third session is scheduled for January 28th at the Hagerstown Robinwood Center. Planning for a fourth training session is underway at Peninsula Regional Medical Center. Staff anticipates about 25 practice administrators and office managers will attend each session.

Johns Hopkins Bayview Medical Center provided staff with an overview of how trauma centers submit and maintain information on the Maryland Trauma Registry. This information will be useful to staff in crafting internal operating policies and procedures for the Fund. Staff will access the Maryland Trauma Registry as a way of validating applications. MIEMSS will provide staff with a copy of the Maryland Trauma Registry on a quarterly basis.

The auditing request for proposal (RFP) is expected to be released by MHCC in February. Staff anticipates the RFP review process will be completed by the end of March and a vendor selected in early April. Staff will work closely with the vendor to coordinate development of the audit plan. Auditing of uncompensated care applications and Medicaid claims are scheduled to begin in June 2004.

Over the last month, staff received about 15 miscellaneous inquiries relating to the Fund. A trauma fund fact sheet was developed by staff for distribution to physicians, administrators, and office managers making inquiries about the Fund. The trauma fund fact sheet will be distributed on a routine basis to physicians added by trauma centers. Physicians identified by trauma centers are maintained in an ACCESS data base. Changes by trauma centers to their list of eligible trauma physicians occurs routinely.

Approximately \$4.5 million are available for distribution from the Fund as of the end of December. MHCC receives monthly updates from the Motor Vehicle Administration on monies collected for the Fund. This information is generally received around mid-month for the month prior.

HIPAA Awareness

MHCC's HIPAA education and awareness initiatives continued throughout December. Over the last month, staff received approximately 30 telephone inquiries from payers and providers requesting consultative support on the regulations. MHCC is viewed by practitioners and health care facilities as a reliable source for obtaining HIPAA information. Last month, staff provided support to the following groups:

- Provided an overview of the transaction standards and their potential to generate administrative efficiencies to American Radiology. Provided consultative support on privacy to senior management.
- Provided an overview of the transaction standards for practice managers at Southern Maryland Hospital. About 40 practice managers attended the meeting.
- Participated on a HIPAA question and answer session for the Maryland Dental Alliance. Approximately 35 representatives from dental organizations were in attendance.
- Provided consultative support on the transaction standards to the Maryland Podiatric Association. Staff will provide an in-depth review at their January quarterly conference.
- Reviewed the transaction standards for six ambulatory surgical centers.
- Provided planning support to the Maryland Chiropractic Association regarding HIPAA education activities scheduled at their spring conference.
- Provided support to Maryland Physicians Care, a managed care organization, on the transaction standards.
- Worked with Western Maryland MGMA to finalize the Commission's role at their January HIPAA conference.

Staff continues to receive requests from medical and non-medical health care associations for HIPAA related education. A number of associations have asked the Commission to review the security standards which covered entities must adopt by April 21, 2005.

EDI Promotions

Staff is currently developing an EDI resource guide with the assistance of the Commission's EDI/HIPAA Workgroup. The guide is in the early stages of development and is intended for providers to use in evaluating the cost effectiveness of EDI. The guide will cover a wide range of topics on EDI. The EDI/HIPAA Workgroup meets again on February 3rd and is expected to further develop the EDI Resource Guide.

The Commission continued to provide support to the SSI Group, a large electronic health network (network) based in the Midwest that is interested in obtaining MHCC-certification. The SSI Group plans to complete the application process in early January. Staff also provided support to Trojan Professional Fee Service, a small west coast dental network interested in doing business in Maryland. Based upon the small number of Maryland providers, Trojan Professional Fee Service has decided to contract with WebMD, which is already MHCC-certified for routing transactions.

COMAR 10.25.09 is in the process of being updated to more closely align with the HIPAA transaction standard requirements. Staff used input from leading payers and networks in crafting the proposed changes. Staff intends to present these changes at the February Commission meeting after payers have been given a chance to informally comment.

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)

At the October 2003 meeting, Commission staff presented the analysis and staff recommendations on proposed changes to the CSHBP. The Commission approved the staff recommendations along with the proposed draft regulations, which were published in the *Maryland Register* on December 26, 2003, subject to a comment period which ends on January 27, 2004. The Commission will take final action at the February 20, 2004 meeting. All adopted changes to the CSHBP will be put into regulations and implemented, effective July 1, 2004.

The enactment of Chapter 93 of the Laws of Maryland 2003 (SB 477), required the Commission, in consultation with the Maryland Insurance Administration (MIA), to analyze and make recommendations on the administrative expenses in the small group market including the amount and distribution of administrative costs, strategies for lowering these costs, and the appropriateness of the medical loss ratios. The bill also required the Commission to prepare a report outlining the methodology used by the Commission in developing the CSHBP, and the feasibility of creating a “Basic Plan” in addition to the CSHBP. At the December 2003 meeting, Commission staff presented a draft of this report, which also included other potential changes to the small group market: purchasing pools, reinsurance, tax credits, and list billing. The Commission approved the release of the report to the Legislature which is due in January 2004. The final report also will be available on the Commission’s website.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This “Guide to Purchasing Health Insurance for Small Employers” is available on the Commission’s website at: www.mhcc.state.md.us/smgrpmt/index.htm. Commission staff has developed a bookmark describing information available on the small group market website. This bookmark has been distributed to various interested parties such as small business associations, chambers of commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Evaluation of Mandated Health Insurance Services

In November 2003, the annual *Mandated Health Insurance Services Evaluation* (as required under Insurance Article § 15-1501) was released for public comment. The Commission’s consulting actuary, Mercer Human Resource Consulting (Mercer), evaluated two stakeholder-requested mandates as to their fiscal, medical and social impact. No public comments were received; however, a subsequent meeting with one of the requesting legislators led to an alternative request for analysis. This subsequent analysis will be produced as an addendum to the current report. At the December 2003 meeting, the Commission approved the current report for release to the Legislature, which is due in January 2004. The final report also will be available on the Commission’s website.

The 2003 General Assembly passed HB 605, “Evaluation of Mandated Health Insurance Services.” As a result, § 15-1502 of the Insurance Article of the *Code of Maryland* was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect,

which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

A draft of the *Study of Mandated Health Insurance Services: A Comparative Evaluation* (as required under Insurance Article § 15-1502) was released for public comment on November 25, 2003. The Commission received public comments that opposed the elimination of the IVF mandate, which has been noted in the report. At the December 2003 meeting, the Commission requested that Mercer provide further analysis on the comparison of Maryland's mandates to those in other states before the report is approved for release to the Legislature. The final report is due to the Legislature in January 2004 and will be available on the Commission's website.

Legislative and Special Projects

Uninsured Project

DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a \$1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among several activities, the one year grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A fifth meeting with the Health Care Coverage Workgroup was held on November 10, 2003. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the state. During the November meeting, staff from the MHCC presented data on Maryland's uninsured population and the recent proposed changes to the Comprehensive Standard Health Benefit Plan. In addition, staff from the Johns Hopkins University presented findings from the cost of the uninsured study. Nelson Sabatini, Secretary of DHMH, spoke to the

workgroup on his vision of health care reform in Maryland. The next meeting with the Workgroup will be held on January 26, 2004.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services in November and the final report due in July 2004. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured will be presented to the members of Maryland's General Assembly in January 2004.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it is currently codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees - the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee - on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in January and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, Rosemary Gibson, author of *Wall of Silence*, spoke to the Coalition about the need for better communication between health care providers and patients and their family members when an adverse event or near miss occurs, and on the importance of public support for patient safety. The next Coalition meeting has not been scheduled.

Commission staff has released a request for proposal (RFP) to designate the Maryland Patient Safety Center. Staff is currently reviewing those proposals which were received and will select the vendor to receive the designation this month. Criteria for the award are specified in the RFP and will be the basis for the designation.

2004 Legislative Session

The 2004 Maryland General Assembly session commences January 14 and adjourns April 14, 2004. Briefings with the Senate Finance Committee on the Commission reports related to the small group market, mandated benefits, and HB 805 (2002) have already been scheduled.

Facility Quality and Performance

Nursing Home Report Card

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

The Commission participated in the Centers for Medicare and Medicaid Services (CMS) pilot program with five other states from April through early November 2002. At the conclusion of the pilot, CMS conducted a national rollout of the CMS Nursing Home Quality Initiative on November 12, 2002. The Commission's website was subsequently updated in January 2003 to reflect the final CMS Nursing Home Quality measures. Seven of the ten quality measures reported on the CMS website are featured on the Maryland Guide in the same format as the current Quality Indicators are, utilizing the symbols that separate the top 20%, bottom 10% and all others.

The quality measures, quality indicators, and deficiency report data were all updated in September 2003 to reflect the most recently available data.

Evaluation of the Nursing Home Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement is to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide. Interviews have been completed and a draft report will be presented to the Nursing Home Report Card Steering Committee for review in January 2004.

Nursing Home Patient Satisfaction Survey: The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines. The review of the literature and interviews with various states are now complete and will be presented to the Nursing Home Report Card Steering Committee for review in January 2004. This project is expected to conclude in August 2004.

Steering Committee: The Nursing Home Performance Evaluation Guide Steering Committee met on November 6, 2003 via conference call to provide input on the implementation of the two new projects. The Steering Committee also reviewed the new National Quality Forum (NQF) consensus measures for nursing home quality. These measures have been adopted by CMS for public reporting. The Steering Committee agreed to accept the new measures for reporting on the MHCC Guide as replacements for the similar currently-displayed quality indicators and quality measures. The Committee also recommended a review of the MHCC quality indicators to determine which indicators remain relevant in view of the recent consensus recommendations. The Website will be updated with the new measures in February 2004. The next Steering Committee meeting is scheduled for January 27, 2004.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide includes quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for 33 high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and was posted on the Website in November 2003.

New Core Measures: The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The new measures will be publicly reported in the fall of 2004.

Obstetrics Measures: The Commission also convened an Obstetrics Workgroup on September 16, 2003 and October 9, 2003 to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The initial set of 42 recommended elements was forwarded to the Hospital Performance Evaluation Guide Steering Committee on November 6, 2003 for review. The Steering Committee approved the elements as presented, noting that it was a good place to start but strongly urged further development of valid quality measures.

Evaluation of the Hospital Guide: On August 25, 2003 the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency

department physicians to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide. Interviews have been completed and a draft report will be presented to the Hospital Report Card Steering Committee for review in January 2004.

CMS Pilot Project: The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee serves as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

As a part of the pilot, hospitals from the three states are currently participating in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by the Agency for Healthcare Research and Quality (AHRQ) and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June and concluded in August of 2003. The survey data were analyzed in December 2003. The final instrument was released by CMS and is now available for review and public comment until February 5, 2004.

Following completion of the pilot, the Maryland Hospital Report Card Steering Committee will evaluate the results of the study to determine if the instrument will meet the needs of Maryland consumers and to determine the best method of incorporating the data into the existing *Maryland Hospital Performance Evaluation Guide*. If the pilot is successful, Maryland residents will have another source of information with which to make important healthcare decisions.

In addition to the Pilot Project, a national coalition of healthcare organizations, including the American Hospital Association (AHA), the American Association of Medical Colleges (AAMC), the Federation of American Hospitals (FAH), the National Quality Forum (NQF) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), are participating in a voluntary initiative that encourages every hospital in the country to collect and publicly report quality information.

The "starter set" of measures draws from three of JCAHO's Core Measure Sets: Acute Myocardial Infarction (AMI), Congestive Heart Failure (CHF) and Community-Acquired Pneumonia (CAP). This information, in addition to being on the MHCC website, was released on the CMS Website (www.medicare.gov) on November 6, 2003.

Other Activities: The Facility Quality and Performance Division is also participating in the planning process for a new Health Services Cost Review Commission (HSCRC) Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released on May 16, 2003. The 2002 data are now available and will be added to the site in December.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of HMO Publications

Distribution of 2003 HMO Publications – released September 29, 2003

Cumulative distribution – publications released 9-29-03	9/29/03 - 12/31/03	
	Paper	Web-based
<i>Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide</i> (25,000 printed)	15,988	Interactive version Visitor sessions = 1,455
		PDF version Visitor sessions = 1,386
<i>2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland</i> (700 printed)	375	Visitor sessions = 686
<i>Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide</i> (60,000 printed)	60,000	

**2003 Policy Report (2002 Report Series) –
Released January 2003; distribution continues until January 2004**

<i>Policy Report on Maryland Commercial HMOs & POS Plans</i> (1,200 printed)	1/16/03—12/31/03	
	Paper	Web-based
	801	1,421

Distribution of Publications

Distribution of paper and electronic copies of the HMO Guide decreased in December, with the paper version slowing a greater degree. Physical inventory of all HMO performance publications was performed to assess the accuracy of the distribution numbers. The statistics reported above reflect adjusted figures that include distributed inventory not previously counted for the HMO Consumer Guide and Comprehensive Report.

In January and February, public libraries throughout the state will be contacted by MHCC staff, so that HMO Guide distribution boxes can be restocked, as needed.

2003 Performance Reporting: HEDIS Audit and CAHPS Survey

Required Reporting Requirements for 2004—2005

At the December Commission meeting, final action was taken to establish revised requirements for HMO reporting in 2004 and preliminary requirements for reporting in 2005. Representatives from each of the HMOs required to report to the Commission in 2004 were notified of the final reporting requirements. The survey and audit vendors received notification as well. Changes to the preliminary reporting requirement established in December 2002 for 2004 reporting included the addition of five new HEDIS measures and a new MHCC-specific measure.

Audit of HEDIS Data

Staff completed the data collection tool that plans will use to report the comprehensive diabetes care rate gathered as part of the 2004 HEDIS audit. With final approval granted for inclusion of this measure in the 2004-2005 reporting requirements, HealthcareData.com (HDC), the audit vendor, proceeded with integrating this measure into the automated tool developed jointly by staff from both organizations. This tool was developed to facilitate accuracy and efficiency in collection of data for measures developed by MHCC. HDC provided each Maryland plan with a diskette of the MHCC data submission tool on December 24, 2003. The tool includes instructions and a template to report all three MHCC-specific measures: behavioral health, urgent care, and comprehensive diabetes care (new). MHCC received confirmation that all plans have taken delivery of the diskette.

Early in December, HDC began preparing each plan for audit of their member file formats, as a first step in the survey process. In addition, review of code used to create survey files started for five plans: Aetna, MD-IPA, OCI, Cigna, and BlueChoice. The remaining plans are using a certified software vendor and will submit their vendor's NCQA certification statement for auditor review. Code review has primarily focused on code associated with creation of the CAHPS sample frame; however, review of code for clinical measures has begun for one plan. Several plans began exploring the option of over-sampling as a means of improving their response rates, especially for selected questions they have identified as receiving comparatively lower rates.

Site visits have been scheduled for all Maryland commercial HMOs. Division staff approved the schedule and will contact relevant parties in January notifying them which site visits will receive staff oversight.

Consumer Assessment of Health Plan Study (CAHPS Survey)

Staff completed the approval process required for all 2004 CAHPS survey correspondence and questionnaires. All elements used for survey administration received approval from NCQA. Synovate, the survey vendor, will use the authorized documents to begin production of survey materials. The publishing procedure used by this vendor will include several new steps requested by staff to ensure errors are not introduced during the programming phase. The additional quality control steps will include checks performed by staff from both MHCC and Synovate. Finally, MHCC staff will be seeded for all mailings to monitor adherence with the schedule.

Only half the plans required to report in 2004 will ask supplemental questions. MHCC will again add the same ten questions that were in last year's survey.

Report Development Contract

Development of the final report in the four-report series that compares the performance of Maryland's commercial HMOs has finished. Final hard-copy and electronic files of *Maryland Commercial HMOs and POS Plans: Policy Issues* have been provided to MHCC's printer by the design firm. The competitive bidding process was used in selecting the printer for this report. Delivery of the order is scheduled for January 13, 2004.

The *Policy Issues* report is the last report and concludes the required fixed deliverables under the current two-year contract with report developer NCQA. MHCC has the unilateral option to continue this contract for an additional year, which would begin in June.

HEALTH RESOURCES

Certificate of Need

During December 2003, the Commission received four letters of intent for proposed additional ambulatory surgery capacity: (1) Basner, Klatsky, Rosenberg (proposed addition of a second operating room to an existing ambulatory surgery center in Baltimore County); (2) Hickory Ridge Surgery Center (proposed addition of a second operating room to an existing ambulatory surgery center); (3) Shady Grove Adventist Hospital (proposed establishment of a freestanding ambulatory surgery center with four operating rooms); and (4) Washington Adventist Hospital (proposed establishment of a freestanding ambulatory surgery center with four operating rooms). The Commission also received a letter of intent from Keswick Multi-Care Center proposing the construction of a new two-story comprehensive care facility and an increase of 20-beds.

The following determinations of non-coverage from CON review were issued during December: acquisition of VNA Hospice of Maryland by Seasons Hospice and Palliative Care of Maryland, Inc.; expansion of the recovery area at the Shady Grove Fertility Surgery Center (Montgomery County); permanent relinquishment of 13 temporarily delicensed extended care beds at Washington County Hospital (Washington County); relicensure of 15 temporarily delicensed comprehensive care facility beds at Citizens Nursing Home of Frederick County (Frederick County); relicensure of 9 temporarily delicensed comprehensive care facility beds at Kensington Nursing and Rehabilitation Center (Montgomery County); temporary delicensure of 30 comprehensive care facility beds at SunBridge Care and Rehabilitation of Elkton (Cecil County); lease of space at Deer's Head Center to provide inpatient hospice services by Coastal Hospice (Wicomico County); closure of the autologous bone marrow transplant program at Holy Cross Hospital (Montgomery County); establishment of a Medicare-designated branch office in BelAir, Maryland by Tender Loving Care/Staff Builders (Harford County); and the addition of two comprehensive care facility waiver beds at Ravenwood Lutheran Village (Washington County).

During December 2003, the following determinations of non-coverage from CON review were issued involving surgery centers: establishment of one operating room/one procedure room surgery center by Facial Plastic SurgiCenter, Ltd. (Baltimore County); addition of urology to the surgical specialties offered at Piney Orchard Surgery Center (Anne Arundel County); establishment of one operating room/one procedure room surgery center by Center for Aesthetic Surgery, LLC (Wicomico County); establishment of one procedure room surgery center by Foot Surgery Center of Owings Mills, LLC (Baltimore County); establishment of a one operating room/two procedure room surgery facility at Surgery Center of Rockville (Montgomery County); establishment of a one operating room/one procedure room surgery facility at Hickory Ridge Surgery Center (Howard County); establishment of a one operating room/two procedure room surgery facility at The Adult and Pediatric Urology Surgicenter, LLC (Baltimore City); and the establishment of a three procedure room surgery center at Advance Surgery Center, LLC.

Two CON applications were docketed for review: University Specialty Hospital (permanent closure of the previously temporarily delicensed comprehensive care facility); and the Jewish Geriatric Center at Owings Mills (construction of a new 288-bed comprehensive care facility on the campus of Rosewood Center).

Acute and Ambulatory Care Services

At the December 2003 Commission meeting, the Commission approved changes to COMAR 10.24.10, the State Health Plan for Acute Inpatient Services. Specifically, changes were approved to the acute care bed need projections, to the methodology underlying those projections, and to policies related to approval of capital projects proposing increases in acute care beds pursuant to the bed need projections. These changes were approved as emergency and proposed permanent regulations. Notice of the emergency action is expected to be published in the January 9, 2004 edition of the *Maryland Register*. A public hearing has been scheduled to consider public comments on the proposed permanent changes on February 3, 2004 at the Commission's offices.

Two types of changes were approved. The first set of changes includes new "target values" (the expected future values of hospital discharge rates and average length of stay), which are routine inputs to the methodology that are adopted through the regulatory process whenever the projections are revised. The second set of changes are changes to the steps and policies in the methodology, including the scale of bed occupancy rates applied to projected average daily census to calculate gross bed need. These changes were described in a working paper titled *Recommended Changes to the Acute Care Bed Need Projection Methodology, and the 2010 Bed Need Forecast* which was released at the October Commission meeting. Additional changes were approved in response to comments received on the working paper. First, the methodology was amended to account for discharges from non-border states, foreign countries, and those listed as unknown origin in a different manner, which will slightly increase the need forecast in eight jurisdictions. Second, changes were made in policy statement and project review standards that address the use of the bed need projections in certificate of need regulation. These changes will allow for consideration of hospital service area-based projections of need in the CON project review process as an alternative to the jurisdictional bed need projection when the Plan's methodology, assumptions, and targets are applied to a defined service area. One final clarifying change was made to these policies and standards at the Commission meeting in response to suggestions by the Commission.

Patricia Cameron will represent the Commission on the Department of Health and Mental Hygiene's 'Healthcare Surge Capacity Workgroup'. DHMH's Office of Public Health Preparedness and Response is sponsoring this workgroup to develop a comprehensive plan to address healthcare surge capacity. Key issues to be covered by the work group include but are not limited to: staffing, space/facilities, logistics/materials management and communications. These topics will be addressed for each of the following domains: public health, EMS, healthcare facilities and community healthcare. The final product will be a plan to address healthcare surge during a public health emergency.

Long Term Care and Mental Health Services

The *Report on the Study to Clarify the Status of Existing Certificates of Need for Hospice Services and the Process for Updating the State Health Plan's Hospice Chapter* was completed and presented to the Commission at its December meeting. This study was completed pursuant to SB 732, which was passed during the 2003 legislative session. This report will be posted on the Commission's website following the January meeting and forwarded to the General Assembly.

A conference call was held on December 12, 2003 with Myers and Stauffer, which is a contractor for Maryland MDS (Minimum Data Set) data. Various technical issues on analysis of length of stay were discussed.

A Bid Solicitation was sent out on November 25, 2003 for the Maryland Hospice Survey Project. This bid was awarded to Perforum on December 15, 2003. Perforum, which has significant experience in conducting online hospice surveys, conducts surveys for the National Hospice and Palliative Care Organization. Staff completed work on the draft 2003 Maryland Hospice Survey and its accompanying instructions. During the next few weeks, several hospices will be pilot testing the survey online in preparation for full survey completion.

Specialized Health Care Services

The Commission held a public hearing concerning the adoption of the proposed State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services (COMAR 10.24.17) regulations on Thursday, January 8, 2004.